

American taxpayer money is being put on the line both through the direct loan guarantee and indirectly through the US contributions to the IMF, the World Bank, and the Asian Development Bank.

While there is clearly a need to help avoid a financial collapse in Indonesia that could spill over into other areas of Asia and even to the United States, the US taxpayer has a right to know what kind of government they are helping to support.

Mr. President, many of Indonesia's present economic problems are the result of rampant corruption and nepotism in the country. Indonesia is ruled by a single man, President Suharto, and his relatives and friends traditionally enjoy many business perks. Using their connections, this group has engaged in highly risky and speculative business deals that have exacerbated the present financial crisis. The Financial Times reports that of the 16 insolvent banks that Indonesia has been forced to close since last week, three are owned by Suharto's children, relatives, or close business associates. The link between the financial crisis and Indonesia's present political system, where power rests in the hands of Suharto's inner circle, is inescapable.

The IMF has placed tough economic conditions on the \$23 billion. To qualify for this funding, Indonesia must enact serious financial reforms, dismantle monopolies, and liberalize its trading regime. The IMF has also asked for greater transparency in Indonesia's business and financial markets. But I believe that the IMF and the United States should use the opportunity of this bailout to make all assistance conditional on Indonesia undertaking specific and verifiable measures to ensure that a newly structured system in Indonesia will be free from corruption and graft.

In addition, I strongly feel that Indonesia's need for financial support gives the world community leverage to ask for long-needed political reforms. So long as Indonesia is run by a corrupt elite, its economy will never reach its full potential. The present authoritarian system has bred political instability that will ultimately limit Indonesia's economic potential. I read with alarm about the many riots and hundreds of deaths that occurred in Indonesia during the May elections. This is the result of a system that works largely for the benefit of President Suharto and his family.

Finally, I am concerned about the role of the military in Indonesia, which has sustained a brutal occupation of East Timor for more than 20 years. Press reports indicate that Indonesia maintains more than 20,000 armed troops in East Timor. Just because President Suharto's government has boosted the economy in recent years does not mean it has the right to murder and torture Indonesians and East Timorese. Economic success does not excuse you from answering to your own citizens.

Political tension in Indonesia will only subside after President Suharto initiates real democratic change and, for example, allows all parties to compete equally in the political process. Indonesian authorities try to argue that greater democracy will lead to instability which in turn will impede economic development. But, Mr. President, clearly the problem in Indonesia is not too much democracy, but too little.

Mr. President, I urge the administration to use the influence it has in the IMF and the other international financial institutions to insure that this \$23 billion package contains demands for real anti-corruption and political reform measures. At the very least, such conditions must be placed on the \$3 billion direct loan the US has offered.

These issues—of transparency, of human rights, and of good governance—are too important for the United States to ignore as we bail Indonesia out of this mess.●

DELAY OF DR. DAVID SATCHER'S CONFIRMATION AS SURGEON GENERAL AND ASSISTANT SECRETARY FOR HEALTH

● Mr. KENNEDY. Mr. President, I want to express my concern at the delay in the vote on the nomination of David Satcher to be Surgeon General and Assistant Secretary for Health. I understand that some Senators have placed holds on the nomination.

Dr. Satcher is an excellent choice for these positions. He is a respected family doctor, respected scholar, and respected public health leader. For the past 4 years, he has ably led the Centers for Disease Control and Prevention, the agency responsible for protecting the Nation's health and preventing disease, injury, and premature death.

In 1992, under Dr. Satcher's leadership, CDC developed and implemented a very successful childhood immunization initiative. Before the initiative, only a little more than half the Nation's children—55 percent—were immunized. Today, the figure is 78 percent, and vaccine-preventable childhood diseases are now at record lows.

Dr. Satcher has also led CDC efforts to deal more effectively with infectious diseases and food-borne illnesses. We rely heavily on CDC to provide the rapid response needed to combat outbreaks of disease and protect public safety. Under Dr. Satcher, CDC is implementing a new strategy against infectious diseases and a new early warning system to deal with food-borne illnesses.

Prior to his appointment to CDC, Dr. Satcher was president of Meharry Medical College in Nashville, the Nation's largest private historically black institution for educating health care professionals and biomedical researchers. He previously served as professor and chairman of the Department of Community Medicine and Family Practice

at the Morehouse School of Medicine in Atlanta. He also has been a faculty member at the UCLA School of Medicine and the King/Drew Medical Center in Los Angeles, and interim dean of the Drew Postgraduate Medical School.

Dr. Satcher's range of skills and experience and his strong commitment to improving public health make him extremely well qualified to be the country's principal official on health care and health policy issues—America's Doctor. He's an excellent choice to be Surgeon General and Assistant Secretary for Health.

Dr. Satcher's nomination has received broad bipartisan support. He's been endorsed by a large number of health provider groups, including the American Medical Association, the American Nurses Association, numerous academic health centers, and public health organizations.

Despite these endorsements, a few detractors have emerged and I want to take a few moments to address their concerns.

Some colleagues have questioned Dr. Satcher's views on abortion. This was not an issue at his confirmation hearing, but some Senators are using the controversial and unconstitutional "Partial-Birth Abortion Ban Act" to attack his credibility.

Dr. Satcher believes—as do most Americans—that abortions should be safe, legal, and rare. His position reflects 25 years of medical experience and is consistent with Supreme Court decisions.

In fact, Dr. Satcher supports a ban on late-term abortions. But he shares President Clinton's view that "if there are risks for severe health consequences for the mother, then the decision [to have an abortion] should not be made by the government, but by the woman in conjunction with her family and physician."

Dr. Satcher's position on this issue is shared by the American College of Obstetricians and Gynecologists, the American Medical Women's Association, the American Nurses Association, and the American Public Health Association.

Some in the Republican leadership have raised this issue in an attempt to defeat an outstanding nominee. Instead of resolving the late-term abortion issue months ago, they would rather play politics with Dr. Satcher's nomination and the lives and health of American women.

The nation faces significant public health challenges. Our national infant mortality rate is at a record low, but it is still higher than that of many countries. Despite recent declines in the teenage birth rate, the U.S. rate is still the highest in the industrial world.

Similarly, in the case of childhood immunization, the rate nationwide may be the highest ever, but in many communities, less than half of 2-year-olds are adequately immunized.

The country needs a medical leader whom people can trust to advise them

on their health care. For over two years, the Office of Surgeon General has been vacant. It is irresponsible to put partisanship ahead of public health and safety.

Dr. Satcher is an excellent choice to be the Nation's Doctor. I look forward to working closely with him, and I urge the Senate to move expeditiously to approve this nomination, so that we can deal more effectively with the country's important health challenges. I am confident that Dr. Satcher will serve America well. He deserves to be confirmed now, before this session of Congress ends.●

DRUG DIRECTOR USE OF BIDEN DRUG BUDGET CERTIFICATION AUTHORITY

● Mr. BIDEN. Mr. President, I rise to offer some remarks on Drug Director Barry McCaffrey's decision to decertify the Defense Department's proposed antidrug budget for fiscal 1999.

At the outset, let me state that I support General McCaffrey's decision to request that the Defense Department increase its budget request by \$140 million for the antidrug initiatives the General identifies: \$24 million to boost antidrug task forces on the border to help implement the United States-Mexico Declaration signed by Presidents Clinton and Zedillo in May, 1997; \$75 million for enforcement and interdiction to reduce the flow of cocaine out of the Andean Region; \$30 million for boost National Guard drug efforts on the southern border; and \$12 million to target drug trafficking criminal activity in the Caribbean.

Even beyond the specifics of this issue, I am greatly heartened by the fact that General McCaffrey has chosen to exercise this important budget-setting authority. I must admit that I have been frustrated that, until General McCaffrey acted, no drug director had ever used this authority—not William Bennett, not Robert Martinez, and not Lee Brown.

Let me also be up-front with my colleagues, one of the reasons I so strongly favor this decision is because I wrote this authority into law. For more than a decade, I debated with the Reagan administration and my colleagues to establish the Office of National Drug Control Policy. One of the reasons my legislation was so bitterly opposed for so long was because I put some real teeth into this legislation. And, of all the teeth, it is this budget authority which is the sharpest of all.

Let me also explain to my colleagues that this so-called Biden Drug Budget Authority not only gives the Drug Director the authority to decertify the drug budget requests of the drug agencies, but it is crystal clear what must happen next. Just read the law: If the Drug Director exercises this authority, "the head of the Department or Agency shall comply with such a request."

It does not get much clearer than that.

To make one more point—now before the Senate we have legislation to reauthorize the Drug Director's office. Yesterday, the Judiciary Committee reported the bipartisan Hatch-Biden reauthorization bill. A bill cosponsored by Senators THURMOND, COVERDELL, DEWINE and FEINSTEIN.

It is my hope that not only will the full Senate pass this legislation before we adjourn, but also that the leadership of the House reject the unproductive and partisan approach it adopted a few weeks ago and come onboard the bipartisan Hatch-Biden bill.

Nothing puts the need for a Drug Director in starker focus than General McCaffrey's action on the Defense Department drug budget. My colleagues should need no other example—though there are many others—to recognize the importance of having a Drug Director.

I urge my colleagues to support the General's decision on the Defense Department budget, and I urge my colleagues to take the concrete step it is within our power to do—pass the law to keep the Drug Office in place.

NEIGHBORHOOD REINVESTMENT CORPORATION

● Mr. KERRY. Mr. President, decent, and affordable housing in healthy neighborhoods for all Americans remains a national goal and a serious challenge. One federal initiative that is an exemplar of good housing policy and a wise investment is the Neighborhood Reinvestment Corporation. Chartered by Congress in 1978 as a public, non-profit corporation, the Neighborhood Reinvestment Corporation's purpose is to increase affordable housing and home ownership opportunities while revitalizing low and moderate income neighborhoods that are in decline. That purpose is carried out in partnership with 174 neighborhood based, non-profit organizations in 44 states, the District of Columbia, and Puerto Rico. These organizations bring together neighborhood residents, local governments, and the business community to garner diverse resources to carry out neighborhood resident-generated housing and community development plans.

At least one measure of the effectiveness of the Neighborhood Reinvestment Corporation and its network of local partners is the kind of return gained on the investment. The federal appropriation to the Neighborhood Reinvestment Corporation for fiscal year 1998 was \$60,000,000 which leveraged another \$500,000,000 in resources for housing and community development.

The Neighborhood Reinvestment Corporation is one of three components of an innovative model of federal-local and public-private partnerships. NeighborWorks® is the network of local non-profit organizations that carry out the development work in neighborhoods. The Neighborhood Reinvestment Corporation provides grants and technical assistance to the

NeighborWorks® member organizations, and conducts extensive training for neighborhood residents and local organization staff. The third component is Neighborhood Housing Services of America, a national non-profit secondary market that provides financial services to the NeighborWorks® network.

Neighborhood reinvestment requires holistic thinking and action in multiple directions, but basic to neighborhood stability is housing. Preserving the aging housing stock in urban neighborhoods and maintaining housing affordability are key objectives of the Neighborhood Reinvestment Corporation and the NeighborWorks® network. Helping low and moderate income homeowners obtain financing and qualified contractors to rehabilitate their houses is a staple activity of NeighborWorks® member organizations. Rehabilitating existing homes on behalf of low and moderate income first-time home buyers adds new stakeholders to neighborhoods. Increasing the supply of affordable rental housing helps to further meet the housing needs of neighborhood residents.

Many of the NeighborWorks® member organizations are mutual housing associations, innovative experiments in an alternative form of home ownership that is proving to be very successful. Mutual housing is permanent housing that assures long term affordability and tenure for low and moderate income people in a housing system over which the residents have considerable control. Mutual housing development and units are owned by mutual housing associations. Residents do not directly buy or sell their units, but are represented on the association board of directors. As members of the association and based on their occupancy agreements, the residents in mutual housing are considered in most states to have a personal property ownership interest in the property. Affordability, protection from displacement, democratic participation in the management of the housing, and a resident stake in the sustained health of the neighborhood are all attributes of mutual housing living. Exploring diverse forms of housing, such as mutual housing associations, can help point the way to improving housing affordability for low income people.

A key feature of the success of the Neighborhood Reinvestment Corporation and NeighborWorks® partnership is the training developed and conducted by the Neighborhood Reinvestment Training Institute. Residents, local organization board members, and local organization staff participate in extensive training in leadership development, engagement of residents in neighborhood organizations, conflict resolution, coalition building, organization management, resource development, and much more. This high quality training is replicated in many parts of the country and the lessons learned put to work in local communities.